



Tightening the Supply Chain

**AMSA & GSA Household
Goods and Freight Forum**

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Philadelphia, PA





Presentation Overview

- I. What is SCM?**
 - Definitions
 - Platform Concepts
 - II. How tighten a supply chain**
 - III. Questions and answers**
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What Is Supply Chain Management?

**Supply Chain Management is the process
to examine everything from needs identification
through the actual use and disposal
of purchased materials and services
while maximizing the value of dollars spent.**



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Supply chain concepts

- **Total Cost Of Ownership**
 - **Value Chain Mapping**
 - **Market And Industry Analysis**
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Total Cost Of Ownership

■ All Costs Of The Supply Stream

For all aspects of a service



Purchase Price
+ Training Costs
+ Administration Costs
+ Operating Costs
+ Maintenance Costs
+ Support Costs
+ Related Facility/Services Costs



Value Chain Mapping

■ Goal Of Value Chain

- Optimal Flow From Transportation Services Provider To Internal Clients
- Every Task Directly Adds Value To Outcome

■ Mapping

- Detailed Diagram From Supplier To Client Use
- Examine Which Tasks Add Value And Which Do Not

■ Outcome

- List Of Non-essential Tasks
- List Of Improvement Opportunities

Source: Executive's Guide to Supply Management Strategies



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Market and industry analysis

- **Helps Us Understand**
 - **Industry Behavior**
 - **Trends**
 - **Competitive Framework**
 - **Substitutes**
 - **Cost Levers**
 - **Strategies For Success**
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Successful supply chain initiative characteristics

- **Relentless at Meeting End Customer Needs**
 - **Support Collaboration from Supplier to Customer**
 - **Focus on Processes**
 - **Invest in Information Technology**
 - **Outputs Defined in**
 - **Specific Dollar Savings**
 - **Cycle Time**
 - **Customer Satisfaction Measures**
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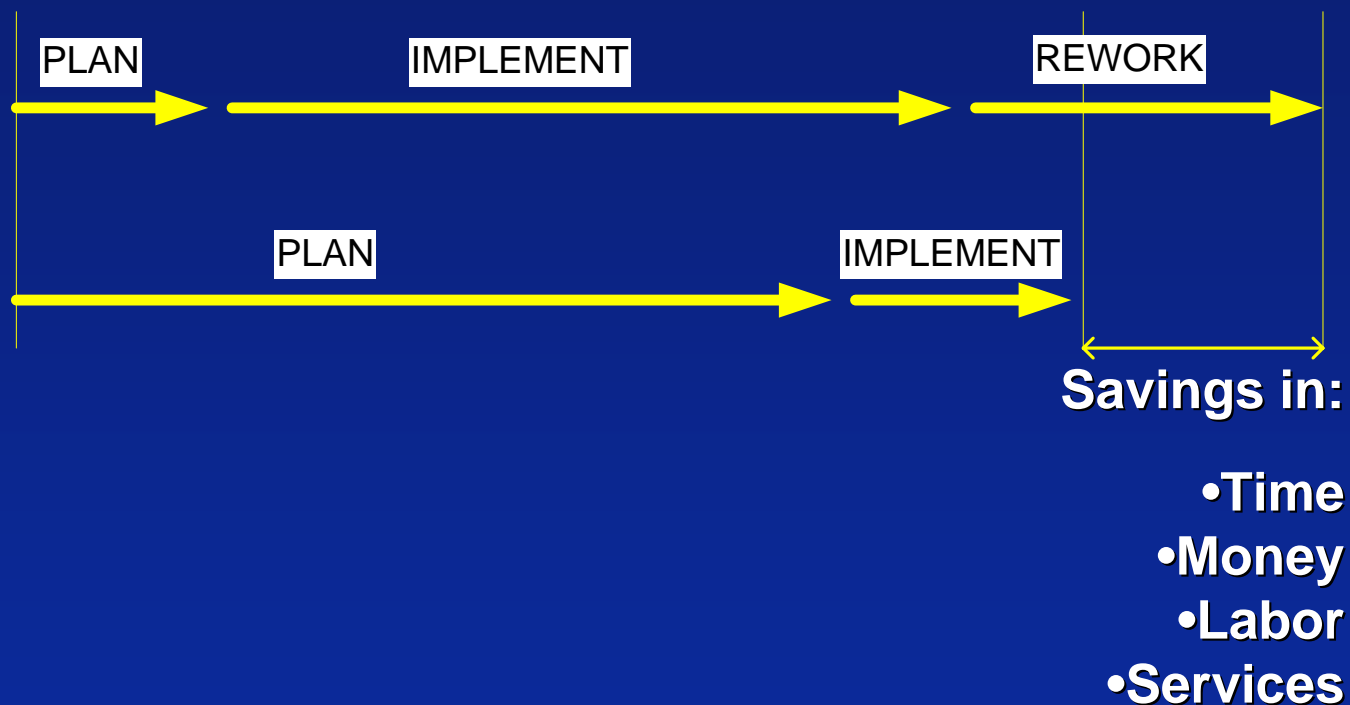
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How to tighten a supply chain

- **Concepts are three approaches to planning**
 - **Implementation builds on a foundation of Process Management's "Plan – Do – Check – Act" cycle**
 - **Trade off between planning time versus implementation and rework time**
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Supply chain improvement example

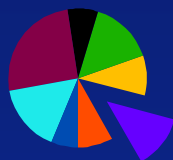


These are chief supply chain benefits.



When doing the “*tighten up*,” USPS uses...

Guiding Principles



Managing Supply Chain is a key **PIECE** of the Postal Service PIE- (Products, Ingenuity and Excellence.)

People *from need to value received*

Integrity *not reducing value of one function at the expense of another*

Experience . . . *delivering what you need, when you need it*

Customers . . . *delivery of customer service excellence and economic value*

Enterprise . . . *minimizing cost over the entire chain*



Discussion



Questions?



What... no questions? Let's try these...

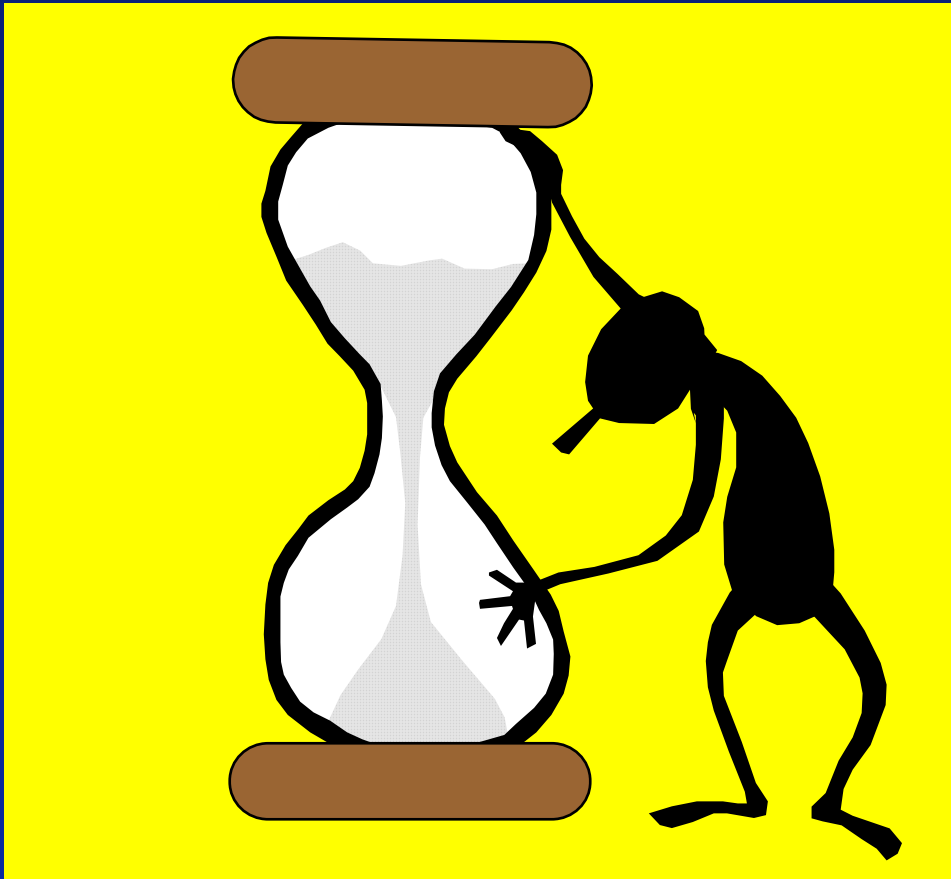
Frequently asked questions:

- **How Is SCM going to affect what I do?**
 - **Am I still going to have a job?**
 - **How will I have the time to do SCM?**
 - **What's in this for the transport carriers?**
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Where Did The Time Go?



***Thanks for
attending!***